

SWELLENDAM MUNICIPALITY



Medium Term Revenue & Expenditure Framework (MTREF)

**Adjustments Budget
2013/2014 – 2015/2016**

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PART 1 – ADJUSTMENTS BUDGET

Section 1 – Mayor’s Report

The adjusted budget tabled in Council here today was compiled after consideration of various factors that influenced service delivery and the financial operations of the municipality over the first half of the financial year.

At Swellendam it is our responsibility to create an environment conducive to economic development, tourism and efficient service delivery. In an attempt to achieve the aforementioned we are required to invest and maintain our infrastructure in aid of the expansion and protection of our revenue base and thereby ensuring sustainability for the people of Swellendam.

The revised budget tabled here also sets the scene for the remainder of the medium term revenue and expenditure framework and is also a step forward in attaining some of the strategic objectives we have set to ensure improved service delivery.

I want to reaffirm Council’s commitment to the strategic objectives of Swellendam municipality in its entirety. Our collective responsibility is to ensure the community is fully informed as to why we have prioritized certain objectives above others and furthermore affirm their understanding of service delivery mechanisms conducted by the municipality.

I am on record where I have committed myself to financially transform the municipality as a stable and sustainable going concern. We have already achieved a lot on the way to bring about this commitment with the remarkable recovery and improvement in our latest audit outcome, and this adjusted budget is a further expansion in the endeavours to achieve the ultimate, namely to reach a point where a clean audit report is the norm and not the exception. Furthermore, we as politicians must create and maintain a healthy environment for our managers to operate in and allow them to manage with minimum constraints and interference thereby assisting us in reaching our goal of a better life for all.

Section 2 – Resolutions

Swellendam Municipality Adjustments MTREF 2013/2014

RECOMMENDATION

- (a) That it be noted from the mid-year assessment report, that an adjustments budget is necessary:
- (b) That the annual adjustments budget of Swellendam Municipality for the Financial year 2013/2014, as set-out in the schedules contained in Section 4, circulated with the agenda be considered and approved as contained in the following prescribed budget tables;
 - (i.) Tables B1: Adjustments budget summary
 - (ii.) Table B2: Adjustments Budget Financial Performance (expenditure by standard classification)
 - (iii.) Table B3: Adjustments Budget Financial Performance (expenditure by municipal vote)
 - (iv.) Table B4: Adjustments Budget Financial Performance (revenue by source)
 - (v.) Table B5 to B10: as well as the supporting tables SB1 to SB19
- (c) That the following adjustments permitted in terms of section 28(2) of the Municipal Finance Management Act and reflected in the tables referred to in resolution (a) above be approved:
 - (i.) That the revenue and expenditure estimates be adjusted upwards as a result of the reasons as explained in the executive summary;
 - (ii.) That those additional revenues that have become available over and above those anticipated in the annual budget be appropriated, but only to revise or accelerate spending programmes already budgeted for;
 - (iii.) That the utilisation of projected savings in one vote toward spending under another vote be authorised; and
 - (iv.) That any errors in the annual budget be corrected.
- (d) That revision to the monthly and quarterly service delivery targets and performance indicators in the service delivery and budget implementation plan is approved to correspond with the approval of the adjustments budget.

Section 3 – Executive Summary

3.1 Background

A municipality may incur expenditure only in terms of an approved budget and within the limits of the amounts appropriated for the different votes of an approved budget.

Funding of expenditure

An annual budget may only be funded from realistically anticipated revenues to be collected. The budget may be funded from cash-backed accumulated funds from previous years' surpluses not committed for other purposes. Borrowed funds may only be used to fund the capital budget.

Revenue projections in the budget must be realistic, taking into account projected revenue for the current year based on collection levels to date; and actual revenue collected in previous financial years.

Municipal adjustments budgets (Legal framework)

A municipality may revise an approved annual budget through an adjustment budget. An adjustments budget;

- must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programs already budgeted for;
- may, within the prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor or the municipality;
- may authorise the utilisation of projected savings in one vote towards spending under another vote;
- may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- may correct any errors in the annual budget; and
- may provide for any other expenditure within a prescribed framework.

Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan. It should therefore be noted that where additional revenue is reflected in the adjustment budget, it is included either as a result of revenue enhancement processes being executed, the effect of changing consumption patterns or additional grant funding received.

Unspent funds

The appropriation of funds in an annual or adjustments budget lapses to the extent that those funds are unspent at the end of the financial year, to which the budget relates, except in the case of an

appropriation for expenditure made for a longer period than a financial year as approved within the capital budget.

Process followed with the compilation of the budget as per financial directive

- a) The adjustments budget is compiled within the above legal provisions which clearly prescribe the process to be followed for the compilation of an adjustment budget. Specific attention was given to part 4 of the municipal budget and reporting regulations.
- b) The compilation of an adjustments budget must not be confused with shifting of funds in terms of the provisions of the virement policy; however any virement made would be included in the changes within the adjustments budget.
- c) All Heads of Departments are accountable and responsible for their own budgets. They were requested to work through their actual expenditure and compare it within the budgeted figures.
- d) The Budget Office consulted with all departments for their revision of their Capital budget.
- e) The respective departments were requested to ensure that all capital projects retained in the 2013/2014 budget are to be completed within the financial year.

3.1 Background

The adjustments budget has quite a significant effect on the provision of basic services as many households will have access to the full basket of services offered by the municipality. The financial effect of the provision of these services will be quantified and included in the budget for 2013/2014 and subsequent financial years.

3.2 Effect of the adjustments budget

The effect of the adjustments budget, especially in terms of the impact on the IDP and the addressing of community priorities will be reflected in the revised IDP for the next 5 year cycle and will form part of the medium term strategy of the municipality.

3.3 Long term financial sustainability

The approval of the 2013/2014 initial budget paved the way towards long term financial sustainability as it was cash funded budget. It needs to be acknowledged that with the provision of infrastructure, pressure moves back to the municipality to provide high quality services on a continuous basis and revenue streams are limited. Census 2011 also indicated that the Swellendam area has a fast growing increase in indigent that would require vast amounts of funding to ensure the demand for services are met.

In order to ensure long term sustainability revenue streams are explored to the maximum, revenue enhancement is on-going and strict credit control measures are applied to all debtors in arrears.

3.4 - Proposed changes reflected in the adjustments budget

The adjustments budget consists of a capital and operating budget which is included in this report. The budget was compiled within the provisions of the current legal framework applicable to municipalities as set out above. The section hereunder includes a narrative in respect of all proposed adjustments and reference to the budget tables where relevant.

3.4.1 Capital Budget

A comparison between the funding sources applicable to the original capital budget and the adjustments budget is set out in the table below and illustrated in the graph hereunder.

Funding Source	Original	Adjustments	Adjusted Budget			
	000	000	000			
National Government	28342	-100	28242			
Provincial Government	9000	-9000	0			
Public contributions	0		0			
Loans	20000	-20000	0			
Own Funding	1100	288	1388			
Total	58442	-28812	29630			

The capital expenditure as at 31 January 2014 amounted to only R 1,19 million. This represents only 4,01% of the adjusted budgeted. However capital commitments, after the adjustments, remains at R28, 44 million, irrespective if the projects will realize.

However, Heads of Department were requested to carefully assess the status of each capital project in order to endeavour to complete the projects as budgeted for.

The main factors contributing to the adjustment of the capital budget are as follows:

- Provincial Government funding for Human Settlement amounting to R9 million, although gazetted in the DORA, was not directly paid to the municipality .The grant was paid directly to the suppliers of the service with the result that the operational budget was also overstated. Although the net surplus decreases with the amount, it must be noted that it has no effect in the net cash surplus/deficit.
- The past negative audit outcomes, has impacted on the municipalities credit rating. Financial Institutions tend to not approve loans where municipalities balance sheets are qualified, with the result that no attempt was made to raise the budgeted loan amount of R20 million as a source of funds. The following projects have been removed as a result of not raising the loan;

General Vehicles: R1, 5 million

Swellendam pump station – sump enlargement: R5, 5 million

Swellendam WWTW – R13 million

- During the course of the financial year, numerous vital expenditure totalling to an amount of R0.332 million was spent on items of a capital nature for which no capital budget existed. This was necessary to maintain service delivery. The original self-funding capital expenditure was for R1.1 million, and is now replaced in the amended budget to include the capital expenditure as explained.

The table below reflects all capital projects for the 2013/2014 financial year as revised in this adjustments budget

WC034 - Supporting Table 9 List of capital programmes and projects affected by Adjustments Budget - 28/02/2014

Municipal Vote/Capital project	Program/Project description	Asset Sub-Class	Medium Term Revenue and Expenditure Framework	
			Budget Year 2013/14	
R thousand		4	Original Budget	Adjusted Budget
Parent municipality:				
Vote 4 - Engineers Service	Upgrade of Electricity Network	Transmission & Reticulation	700	700
Vote 4 - Engineers Service	Bakkie	General vehicles	1 500	-
Vote 4 - Engineers Service	Barrydale Testing Equipment	Plant & equipment	10 600	-
Vote 4 - Engineers Service	Swellendam WTW	Dams & Reservoirs		6 609
Vote 4 - Engineers Service	Swellendam Roads	Roads, Pavements & Bridges		2 689
Vote 4 - Engineers Service	Swellendam Silo Pumpstation Sump	Dams & Reservoirs	5 500	-
Vote 5 - Community Services	Movers and Brushcutters	Plant & equipment	400	150
Vote 4 - Engineers Service	Swellendam WWTW	Dams & Reservoirs	13 000	-
Vote 4 - Engineers Service	Swellendam WWTW	Sewerage Purification	17 742	17 742
Vote 4 - Engineers Service	Abatement Plan (All Towns)	Reticulation	9 000	-
Vote 5 - Community Services	Extensions to the Buffeljagsriver Libr	Libraries		151
Vote 5 - Community Services	Furniture and Office Equipment	Furniture and other office equipment		63
Vote 5 - Community Services	Land and Buildings	Libraries		139
Vote 3 - Finance Service	Computers - Hardware/Equipment	Computers - Hardware/Equipment		425
Vote 2 - Corporate Services	Computers - Hardware/Equipment	Computers - Hardware/Equipment		145
Vote 5 - Community Services	Land and Building	Libraries		4
Vote 5 - Community Services	Land and Building	Libraries		4
Vote 5 - Community Services	Land and Building	Libraries		4
Vote 5 - Community Services	Land and Building	Libraries		15
Vote 5 - Community Services	Furniture and Office Equipment	Furniture and other office equipment		40
Vote 5 - Community Services	Furniture and Office Equipment	Furniture and other office equipment		11
Vote 5 - Community Services	Furniture and Office Equipment	Furniture and other office equipment		5
Vote 5 - Community Services	Furniture and Office Equipment	Furniture and other office equipment		10
Vote 5 - Community Services	Furniture and Office Equipment	Furniture and other office equipment		6
Vote 5 - Community Services	Extensions to the Buffeljagsriver Libr	Libraries		168
Vote 5 - Community Services	Aircons	Libraries		17
Vote 5 - Community Services	Cupboard	Furniture and other office equipment		3
Vote 1 - Municipal Manager	Chair	Furniture and other office equipment		2
Vote 1 - Municipal Manager	Laptop	Computers - Hardware/Equipment		8
Vote 4 - Engineers Service	Electrical Work, Security Gate	Other Buildings		29
Vote 3 - Finance Service	Printer, Chairs	Furniture and other office equipment		3
Vote 3 - Finance Service	Computers - Hardware/Equipment	Computers - Hardware/Equipment		100
Vote 4 - Engineers Service	Sidewalks, Curbs	Roads, Pavements & Bridges		45
Vote 4 - Engineers Service	Covers and Frames, Septic Tank	Reticulation		27
Vote 4 - Engineers Service	Chlorinator, PH Meter	Sewerage Purification		20
Vote 4 - Engineers Service	5000L Tank and Metal Stand	Plant & equipment		18
Vote 5 - Community Services	Tiling	Other Buildings		2
Vote 5 - Community Services	Frames for Street Signs	Plant & equipment		3
Vote 5 - Community Services	Wireless System	Computers - Hardware/Equipment		2
Vote 5 - Community Services	Burglar Bars, Partition	Other Buildings		10
Vote 5 - Community Services	Burglar Bars, Security Gate	Other Buildings		3
Vote 5 - Community Services	Chair	Furniture and other office equipment		1
Vote 5 - Community Services	Flood Lights	Sports Fields & stadia		27
Vote 5 - Community Services	Pole Pruner	Plant & equipment		8
Vote 5 - Community Services	Burglar Bars	Other Buildings		2
Vote 5 - Community Services	210L Meatl Drums	Plant & equipment		4
Vote 5 - Community Services	Drum on Wheels and Grinder	Plant & equipment		2
Vote 5 - Community Services	Fridge / Freezer	Furniture and other office equipment		2
Vote 5 - Community Services	Stewpan	Plant & equipment		1
Vote 4 - Engineers Service	LED TV	Furniture and other office equipment		2
Vote 4 - Engineers Service	Drills	Plant & equipment		3
Vote 4 - Engineers Service	Tool Trunk	Plant & equipment		2
Vote 4 - Engineers Service	Electricity Connections	Transmission & Reticulation		120
Vote 4 - Engineers Service	Pumps and PH Meter	Water Purification		45
Vote 1 - Municipal Manager	Furniture and Office Equipment	Furniture and other office equipment		40
Total Parent Capital Expenditure			58 442	29 630

Adjustments Budget 2013/2014

Loan funding

No additional loan funding will be incurred as already explained above.

3.4.2 Operating budget

Operating revenue and expenditure summary

The application of sound financial management principles for the compilation of Swellendam Municipality's financial plan is essential and critical to ensure that Swellendam Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

Swellendam Municipality's business and service delivery priorities were reviewed as part of this year's planning and budgeting process.

Description	Prior Adjustment Budget 2013/2014	Adjustment Budget 2013/2014
Total Operating Revenue	R 170 751 000	R 183 266 000
Total Operating Expenditure	R 178 417 000	R 191 367 000
Deficit for the year	R 7 666 000	R 8 101 000

Total operating revenue has increased by 7.33% or R 12.514 million for the 2013/2014 Adjustment budget financial year when compared to the original budget.

Total operating expenditure for the 2013/2014 Adjustment budget financial year has also increased by 7.26% or R12.95 million accordingly.

Although the above is reflecting an operating budget deficit of R8.1 million, it must be noted that the budget is still cash backed when the non-cash entries for depreciation and debt impairment are brought in consideration with **the result that a net cash backed budget of R2.5 million will realize**.

Revenue from service charges

Revenue items in respect of service charges increased with R5.7 million of which an increase in electricity sales is the biggest contributor to the increase. The implementation of the new sliding scale of electricity tariffs has a larger impact as originally anticipated. Service charges remain the major source of revenue for the municipality making up 49.30 % of the total budgeted revenue.

Other Revenue

Rental income reflected a slightly lower than budgeted result for second quarter of the financial year and the revenue had to be adjusted downwards with R 16, 000.

The property rates income over performed substantially and was therefore adjusted upwards by R 2.02 million, this can be ascribed to less than anticipated adjustments to the new valuation roll which was effective from 1 July 2013.

Revenue from traffic fines substantially over-performed during the first half of the financial year and the anticipated revenue for the remainder of the financial year had to be adjusted upwards by R1,55 million.

The transfers from grants was also increased by R3.655 million mainly due to the restructuring of capital expenditure of projects financed by grants , where the zero rating VAT effect, has been deducted from the grants received , and transferred as operating revenue.

Housing funding

The receipt of additional grant funding (rollover) for the construction of Houses, in the amount of R 1,3 million also required an adjustment to be done.

Cash Position

Although there is a significant increase in the cash position when compared to the end of the 2012/2013 financial year, it should be noted that we are still in a very vulnerable financial position as we rely heavily on grant funding.

The table below reflects the cash position as at 31 January 2013.

Originally Budgeted Cash position	(R3 726 000) Bank overdraft
Revised Budget Cash position	R7 221 000
Total budgeted increase in cash	R10 947 000

Operating Expenditure

In order to adequately provide for the operational requirements of the municipality for the remainder of the financial year, it is necessary to propose adjustments to operational expenditure items as follows:

Employee related cost

An upward adjustment of R 1,656 million is proposed. This is necessary to fund the urgent filling of vacancies, and for the compensation for overtime which was not sufficient budgeted for. Increase in the Councillors remuneration as Gazetted has been taken into consideration.

Debtors

Impairment of debtors remains the same as was originally budgeted.

Depreciation and Capital charges

Depreciation charges were not adjusted after taking into account slower than anticipated capital spending during the first half of the current financial year as well as the additional capital projects that are included in the adjustments budget.

The budget for interest on external borrowing was decreased by R 645 000 due to the fact that the R20 million loan was not raised.

Bulk purchases

Bulk purchases of electricity were adjusted upwards with R2 million which can mainly be ascribed to the higher as anticipated consumption of electricity.

Other Expenditure

Several adjustments were made to numerous expenditure votes mainly due to current expenditure tendencies and changing operational requirements.

The table below is a summary of adjustments made, and reflecting upwards and downward adjustments.

Description	Ref	Budget Year 2013/14		Budget Year +1 2014/15	Budget Year +2 2015/16
		Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		12 G	13 H		
R thousands					
Other Expenditure By Type		–			
Repairs and maintenance		(427)	12 059	12 662	13 295
Consultant fees		(115)	–	–	–
Audit fees		1 792	3 607	3 788	3 977
Advertising		43	184	193	202
Running cost of vehicles		1 527	2 882	3 026	3 178
Telephone		539	1 439	1 511	1 587
Valuation roll		200	300	315	331
Ward committee & Information sessions		(55)	85	89	94
Agency Fees		1 890	2 490	2 615	2 745
Insurance		(60)	594	623	654
Training		(274)	594	624	655
Refuse bags		(257)	330	346	364
Rental of Machines & Vehicles		566	1 455	1 528	1 604
Postage		(79)	491	515	541
Subsistence and Traveling		33	432	454	476
Stationary & Printing		21	507	532	559
Bank charges		240	670	704	739
Plans and Studies		(310)	1 195	1 255	1 317
Legal Fees		–	500	525	551
Safety Security		(392)	671	705	740
New Connections		(1)	225	236	248
Subscriptions		473	912	958	1 006
Contributions to 'other' provisions		1 100	1 100	1 155	1 213
Operating grant expenditure		1 797	30 592	6 398	6 824
General expenses	3,5	2 826	7 449	7 822	8 213
Total Other Expenditure	1	11 076	70 762	48 576	51 111

Section 4 – Adjustments budget tables

Table B1 Adjustments Budget Summary

WC034 Swellendam Municipality- TABLE B1 Adjustment Budget Summary - 28 Februarie 2014

Description	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	25 472	-	-	-	-	-	-	2 021	27 492	28 867	30 310
Service charges	84 605	-	-	-	-	-	-	5 752	90 357	94 875	99 618
Investment revenue	300	-	-	-	-	-	-	100	400	420	441
Transfers recognised - operational	52 908	-	-	-	-	-	-	3 665	56 573	29 201	30 692
Other own revenue	7 467	-	-	-	-	-	-	977	8 444	8 866	9 309
Total Revenue (excluding capital transfers and contributions)	170 751	-	-	-	-	-	-	12 515	183 266	162 229	170 371
Employee costs	56 061	-	-	-	-	-	-	1 656	57 717	60 603	63 633
Remuneration of councillors	3 000	-	-	-	-	-	-	373	3 373	3 542	3 719
Depreciation & asset impairment	6 002	-	-	-	-	-	-	-	6 002	6 302	6 617
Finance charges	7 386	-	-	-	-	-	-	(645)	6 742	7 079	7 433
Materials and bulk purchases	40 256	-	-	-	-	-	-	467	40 723	42 759	44 897
Transfers and grants	1 390	-	-	-	-	-	-	22	1 412	1 483	1 557
Other expenditure	64 322	-	-	-	-	-	-	11 076	75 398	53 445	56 223
Total Expenditure	178 417	-	-	-	-	-	-	12 950	191 367	175 212	184 079
Surplus/(Deficit)	(7 666)	-	-	-	-	-	-	(436)	(8 101)	(12 984)	(13 708)
Transfers recognised - capital	37 342	-	-	-	-	-	-	(9 100)	28 242	9 604	10 060
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	29 676	-	-	-	-	-	-	(9 536)	20 141	(3 380)	(3 648)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	29 676	-	-	-	-	-	-	(9 536)	20 141	(3 380)	(3 648)
Capital expenditure & funds sources											
Capital expenditure	58 442	-	-	-	-	-	-	(28 812)	29 630		
Transfers recognised - capital	37 342	-	-	-	-	-	-	(9 100)	28 242	9 573	10 002
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	20 000	-	-	-	-	-	-	(20 000)	-	10 000	5 000
Internally generated funds	1 100	-	-	-	-	-	-	288	1 388	1 400	1 500
Total sources of capital funds	58 442	-	-	-	-	-	-	(28 812)	29 630	20 973	16 502
Financial position											
Total current assets	15 988	-	-	-	-	-	-	16 283	32 271	29 742	24 490
Total non current assets	297 316	-	-	-	-	-	-	(18 597)	278 719	292 711	303 671
Total current liabilities	34 958	-	-	-	-	-	-	(1 922)	33 036	38 678	43 648
Total non current liabilities	107 977	-	-	-	-	-	-	(42 354)	65 623	74 823	79 209
Community wealth/Equity	170 369	-	-	-	-	-	-	41 962	212 331	208 951	205 304
Cash flows											
Net cash from (used) operating	32 426	-	-	-	-	-	-	1 274	33 700	9 939	7 347
Net cash from (used) investing	(58 442)	-	-	-	-	-	-	28 884	(29 558)	(20 901)	(16 502)
Net cash from (used) financing	18 088	-	-	-	-	-	-	(20 028)	(1 940)	8 018	2 882
Cash/cash equivalents at the year end	(3 726)	-	-	-	-	-	-	10 947	7 221	4 279	(1 994)
Cash backing/surplus reconciliation											
Cash and investments available	(3 727)	-	-	-	-	-	-	10 948	7 221	4 279	(1 994)
Application of cash and investments	63 598	-	-	-	-	-	-	(5 150)	58 448	65 105	70 208
Balance - surplus (shortfall)	(67 325)	-	-	-	-	-	-	16 098	(51 227)	(60 826)	(72 202)
Asset Management											
Asset register summary (WDV)	296 902	-	-	-	-	-	-	(22 086)	274 816	289 488	299 373
Depreciation & asset impairment	6 002	-	-	-	-	-	-	-	6 002	6 302	6 617
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	12 486	-	-	-	-	-	-	(427)	12 059	12 662	13 295

The table above reflects a summary of the financial result of the municipality after incorporating the adjustments proposed

Table B2 Adjustment Budget Financial Performance (standard classification)

WC034 Swellendam Municipality- TABLE B2-Financial Performance (revenue and expenditure by standard classification) Adjustment Budget - 28 Februarie 2014

Standard Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Standard												
<i>Governance and administration</i>		51 752	-	-	-	-	-	-	3 088	54 840	54 849	57 598
Executive and council		45 342	-	-	-	-	-	-	3 185	48 526	49 858	52 302
Budget and treasury office		5 761	-	-	-	-	-	-	100	5 861	4 516	4 797
Corporate services		650	-	-	-	-	-	-	(197)	453	476	499
<i>Community and public safety</i>		29 016	-	-	-	-	-	-	2 035	31 050	4 954	5 253
Community and social services		29 015	-	-	-	-	-	-	2 034	31 050	4 953	5 252
Sport and recreation		1	-	-	-	-	-	-	0	1	1	1
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		42 708	-	-	-	-	-	-	(7 512)	35 196	17 087	17 891
Planning and development		131	-	-	-	-	-	-	25	156	164	172
Road transport		42 577	-	-	-	-	-	-	(7 537)	35 040	16 923	17 719
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		84 617	-	-	-	-	-	-	5 804	90 421	94 942	99 689
Electricity		54 606	-	-	-	-	-	-	5 037	59 642	62 625	65 756
Water		10 788	-	-	-	-	-	-	87	10 875	11 418	11 989
Waste water management		12 338	-	-	-	-	-	-	466	12 804	13 444	14 116
Waste management		6 886	-	-	-	-	-	-	214	7 100	7 455	7 828
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	208 093	-	-	-	-	-	-	3 415	211 507	171 832	180 431
Expenditure - Standard												
<i>Governance and administration</i>		43 184	-	-	-	-	-	-	7 102	50 286	51 692	54 332
Executive and council		18 784	-	-	-	-	-	-	2 433	21 217	22 208	23 319
Budget and treasury office		17 621	-	-	-	-	-	-	4 668	22 289	22 364	23 537
Corporate services		6 780	-	-	-	-	-	-	1	6 781	7 120	7 476
<i>Community and public safety</i>		40 210	-	-	-	-	-	-	2 418	42 628	21 431	22 553
Community and social services		38 575	-	-	-	-	-	-	2 471	41 045	19 769	20 808
Sport and recreation		271	-	-	-	-	-	-	122	393	413	433
Public safety		1 365	-	-	-	-	-	-	(175)	1 190	1 249	1 312
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		20 640	-	-	-	-	-	-	3 735	24 375	24 308	25 523
Planning and development		771	-	-	-	-	-	-	460	1 231	1 293	1 357
Road transport		19 869	-	-	-	-	-	-	3 275	23 144	23 015	24 166
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		73 301	-	-	-	-	-	-	(313)	72 988	76 637	80 469
Electricity		49 724	-	-	-	-	-	-	(224)	49 500	51 975	54 574
Water		10 450	-	-	-	-	-	-	286	10 736	11 273	11 837
Waste water management		6 456	-	-	-	-	-	-	(1 139)	5 318	5 584	5 863
Waste management		6 670	-	-	-	-	-	-	764	7 433	7 805	8 195
<i>Other</i>		1 083	-	-	-	-	-	-	7	1 090	1 144	1 201
Total Expenditure - Standard	3	178 417	-	-	-	-	-	-	12 949	191 367	175 212	184 078
Surplus/ (Deficit) for the year		29 675	-	-	-	-	-	-	(9 535)	20 141	(3 380)	(3 648)

The above table B2, illustrates the budgeted financial result for the 2013/2014 budget year as amended in terms of the submitted adjustments budget. The surplus reflected in the 2013/2014 adjusted budget column includes all capital funding with the exclusion of external borrowing and own funding. The budgeted financial result for the 2013/2014 financial year, after taking into account capital expenditure amounts to a surplus of R 20.141 million a decrease of R9.553 million of the originally budget. This is the effect of the R9 million grant which was not paid to the municipality as already mentioned in paragraph 3.4.1.

It needs to be pointed out that the turnaround in financial position cannot be attained in one financial year and strict financial discipline and the application of sound financial management principles over the medium term will bring the desired result.

Table B3 – Adjustments Budget Financial Performance (Revenue and expenditure by municipal vote)

Table B3 below illustrates the revenue and expenditure by municipal vote, it is therefore also indicative of the departments that mainly contribute to the adjustment of the budget for the 2013/2014 financial year.

WC034 Swellendam Municipality- TABLE B3-Financial Performance (revenue and expenditure by municipal vote) Adjustment Budget - 28 Februarie 2014

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget A	Prior Adjusted A1	Accum. Funds B	Multi-year capital C	Unfore. Unavoid. D	Nat. or Prov. Govt E	Other Adjus. F	Total Adjus. G	Adjusted Budget H	Adjusted Budget	Adjusted Budget
R thousands												
Revenue by Vote	1											
Vote 1 - Municipal Manager		162	-	-	-	-	-	-	66	228	170	179
1.1 - Municipal Manager		-	-	-	-	-	-	-	66	66	-	-
1.2 - Tourism		-	-	-	-	-	-	-	-	-	-	-
1.3 - Local Economic Development		-	-	-	-	-	-	-	-	-	-	-
1.4 - IDP		-	-	-	-	-	-	-	-	-	-	-
1.5 - Rented Buildings		162	-	-	-	-	-	-	-	162	170	179
Vote 2 - Corporate Services		46 123	-	-	-	-	-	-	3 124	49 247	50 683	53 169
2.1 - Building Control		650	-	-	-	-	-	-	(200)	450	473	496
2.2 - Corporate Services		-	-	-	-	-	-	-	3	3	3	3
2.3 - Council General		45 342	-	-	-	-	-	-	3 119	48 460	49 858	52 302
2.4 - Commonage		0	-	-	-	-	-	-	177	177	186	196
2.5 - Town Planning		131	-	-	-	-	-	-	25	156	164	172
Vote 3 - Finance Service		5 761	-	-	-	-	-	-	100	5 861	4 516	4 797
3.1 - Financial Services		5 761	-	-	-	-	-	-	100	5 861	4 516	4 797
3.2 - Stores		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Engineers Service		116 589	-	-	-	-	-	-	(3 442)	113 147	98 935	103 832
4.1 - Electricity		54 606	-	-	-	-	-	-	5 037	59 642	62 625	65 756
4.2 - Engineers Services		38 827	-	-	-	-	-	-	(9 032)	29 796	11 416	11 937
4.3 - Main Roads		23	-	-	-	-	-	-	-	23	24	25
4.4 - Office Buildings		-	-	-	-	-	-	-	-	-	-	-
4.5 - Sewerage		12 338	-	-	-	-	-	-	466	12 804	13 444	14 116
4.6 - Stormwater		-	-	-	-	-	-	-	-	-	-	-
4.7 - Street Lights		-	-	-	-	-	-	-	-	-	-	-
4.8 - Streets		8	-	-	-	-	-	-	-	8	8	9
4.9 - Water		10 788	-	-	-	-	-	-	87	10 875	11 418	11 989
4.10 - Workshop Fleet		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		39 458	-	-	-	-	-	-	3 567	43 025	17 527	18 454
5.1 - Caravan Park		472	-	-	-	-	-	-	-	472	496	521
5.2 - Cemeteries		11	-	-	-	-	-	-	16	27	28	30
5.3 - Community Services		24 645	-	-	-	-	-	-	1 083	25 728	183	192
5.4 - Library		3 706	-	-	-	-	-	-	773	4 479	3 886	4 131
5.5 - Parks		-	-	-	-	-	-	-	-	-	-	-
5.6 - Pound		19	-	-	-	-	-	-	(15)	4	4	4
5.7 - Refuse		6 886	-	-	-	-	-	-	214	7 100	7 455	7 828
5.8 - Sports and Recreation		1	-	-	-	-	-	-	0	1	1	1
5.9 - Traffic and Licensing		3 719	-	-	-	-	-	-	1 495	5 214	5 474	5 748
Total Revenue by Vote	2	208 093	-	-	-	-	-	-	3 415	211 507	171 832	180 431
Expenditure by Vote	1											
Vote 1 - Municipal Manager		7 075	-	-	-	-	-	-	(280)	6 795	7 065	7 419
1.1 - Municipal Manager		4 221	-	-	-	-	-	-	824	5 045	5 228	5 489
1.2 - Tourism		1 083	-	-	-	-	-	-	7	1 090	1 144	1 201
1.3 - Local Economic Development		95	-	-	-	-	-	-	480	575	603	634
1.4 - IDP		1 495	-	-	-	-	-	-	(1 432)	63	66	69
1.5 - Rented Buildings		181	-	-	-	-	-	-	(158)	23	24	25
Vote 2 - Corporate Services		20 519	-	-	-	-	-	-	3 617	24 136	25 343	26 610
2.1 - Building Control		886	-	-	-	-	-	-	(192)	694	729	765
2.2 - Corporate Services		5 888	-	-	-	-	-	-	111	6 000	6 300	6 615
2.3 - Council General		12 973	-	-	-	-	-	-	2 562	15 534	16 311	17 127
2.4 - Commonage		-	-	-	-	-	-	-	677	677	711	746
2.5 - Town Planning		771	-	-	-	-	-	-	460	1 231	1 293	1 357
Vote 3 - Finance Service		17 621	-	-	-	-	-	-	4 668	22 289	22 364	23 537
3.1 - Financial Services		17 140	-	-	-	-	-	-	4 849	21 989	22 050	23 207
3.2 - Stores		480	-	-	-	-	-	-	(181)	299	314	330
Vote 4 - Engineers Service		82 857	-	-	-	-	-	-	285	83 143	86 014	90 314
4.1 - Electricity		49 724	-	-	-	-	-	-	(224)	49 500	51 975	54 574
4.2 - Engineers Services		5 261	-	-	-	-	-	-	1 853	7 113	6 183	6 492
4.3 - Main Roads		96	-	-	-	-	-	-	(75)	23	24	25
4.4 - Office Buildings		5	-	-	-	-	-	-	82	87	91	96
4.5 - Sewerage		5 856	-	-	-	-	-	-	(1 289)	4 568	4 796	5 036
4.6 - Stormwater		600	-	-	-	-	-	-	150	750	788	827
4.7 - Street Lights		1 365	-	-	-	-	-	-	(175)	1 190	1 249	1 312
4.8 - Streets		8 685	-	-	-	-	-	-	(324)	8 362	8 780	9 219
4.9 - Water		10 450	-	-	-	-	-	-	286	10 736	11 273	11 837
4.10 - Workshop Fleet		813	-	-	-	-	-	-	1	814	854	897
Vote 5 - Community Services		50 346	-	-	-	-	-	-	4 659	55 004	34 426	36 198
5.1 - Caravan Park		1 350	-	-	-	-	-	-	(168)	1 182	1 241	1 303
5.2 - Cemeteries		109	-	-	-	-	-	-	40	148	156	163
5.3 - Community Services		27 327	-	-	-	-	-	-	2 002	29 329	3 964	4 162
5.4 - Library		3 544	-	-	-	-	-	-	132	3 676	7 363	7 782
5.5 - Parks		6 048	-	-	-	-	-	-	(2)	14	15	15
5.6 - Pound		16	-	-	-	-	-	-	764	7 433	7 805	8 195
5.7 - Refuse		6 670	-	-	-	-	-	-	122	393	413	433
5.8 - Sports and Recreation		271	-	-	-	-	-	-	1 821	6 832	7 174	7 533
5.9 - Traffic and Licensing		5 012	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	178 416	-	-	-	-	-	-	12 949	191 367	175 212	184 078

Table B4 – Adjustments Budget Financial Performance (Revenue and Expenditure)

Table B4 above reflects the budgeted financial performance (Revenue and Expenditure) for the revised budget. The revenue is listed per revenue source and the expenditure by type, a detailed discussion on the major items were done in the narrative under section 3.4.2 above to put the proposed adjustments in context.

WC034 Swellendam Municipality- TABLE B4-Budgeted financial performance (revenue and expenditure) Adjustment Budget - 28 Februarie 2014

Description	Ref	Budget Year 2013/14										Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H			
Revenue By Source													
Property rates	2	25 472	-	-	-	-	-	-	2 021	27 492	28 867	30 310	
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue	2	54 579	-	-	-	-	-	-	5 014	59 593	62 573	65 701	
Service charges - water revenue	2	10 778	-	-	-	-	-	-	82	10 860	11 403	11 973	
Service charges - sanitation revenue	2	12 338	-	-	-	-	-	-	466	12 804	13 444	14 116	
Service charges - refuse revenue	2	6 886	-	-	-	-	-	-	214	7 100	7 455	7 828	
Service charges - other		24	-	-	-	-	-	-	(24)	-	-	-	
Rental of facilities and equipment		1 004	-	-	-	-	-	-	(16)	988	1 037	1 089	
Interest earned - external investments		300	-	-	-	-	-	-	100	400	420	441	
Interest earned - outstanding debtors		1 635	-	-	-	-	-	-	(375)	1 260	1 323	1 389	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	
Fines		1 769	-	-	-	-	-	-	1 550	3 319	3 485	3 659	
Licences and permits		1	-	-	-	-	-	-	-	1	1	1	
Agency services		1 919	-	-	-	-	-	-	(6)	1 914	2 009	2 110	
Transfers recognised - operating		52 908	-	-	-	-	-	-	3 665	56 573	29 201	30 692	
Other revenue	2	1 140	-	-	-	-	-	-	(178)	963	1 011	1 061	
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		170 751	-	-	-	-	-	-	12 514	183 266	162 229	170 371	
Expenditure By Type													
Employee related costs		56 061	-	-	-	-	-	-	1 656	57 717	60 603	63 633	
Remuneration of councillors		3 000	-	-	-	-	-	-	373	3 373	3 542	3 719	
Debt impairment		4 637	-	-	-	-	-	-	-	4 637	4 868	5 112	
Depreciation & asset impairment		6 002	-	-	-	-	-	-	-	6 002	6 302	6 617	
Finance charges		7 386	-	-	-	-	-	-	(645)	6 742	7 079	7 433	
Bulk purchases		37 410	-	-	-	-	-	-	2 040	39 450	41 423	43 494	
Other materials		2 846	-	-	-	-	-	-	(1 573)	1 273	1 337	1 403	
Contracted services		-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants		1 390	-	-	-	-	-	-	22	1 412	1 483	1 557	
Other expenditure		59 685	-	-	-	-	-	-	11 076	70 762	48 576	51 111	
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		178 417	-	-	-	-	-	-	12 950	191 367	175 212	184 079	
Surplus/(Deficit)		(7 666)	-	-	-	-	-	-	(436)	(8 101)	(12 984)	(13 708)	
Transfers recognised - capital		37 342	-	-	-	-	-	-	(9 100)	28 242	9 604	10 060	
Contributions		-	-	-	-	-	-	-	-	-	-	-	
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) before taxation		29 676	-	-	-	-	-	-	(9 536)	20 141	(3 380)	(3 648)	
Taxation		-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation		29 676	-	-	-	-	-	-	(9 536)	20 141	(3 380)	(3 648)	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality		29 676	-	-	-	-	-	-	(9 536)	20 141	(3 380)	(3 648)	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year		29 676	-	-	-	-	-	-	(9 536)	20 141	(3 380)	(3 648)	

Table B5 Adjustments Capital Expenditure Budget by Vote and Funding

WC034 Swellendam Municipality- TABLE B5-Adjusted Capital Expenditure by voteand funding and standard classification - 28 Februarie 2014

W004 Owerland Municipality - TABLE D3-Adjusted Capital Expenditure by Vote and Funding and Standard Classification - 20 February 2014												
Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Finance Service		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Engineers Service		9 000	-	-	-	-	-	-	(9 000)	-	20 573	16 002
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	9 000	-	-	-	-	-	-	(9 000)	-	20 573	16 002
Single-year expenditure to be adjusted	2											
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	50	50	100	50
Vote 2 - Corporate Services		-	-	-	-	-	-	-	145	145	-	-
Vote 3 - Finance Service		-	-	-	-	-	-	-	528	528	300	450
Vote 4 - Engineers Service		49 042	-	-	-	-	-	-	(20 992)	28 050	-	-
Vote 5 - Community Services		400	-	-	-	-	-	-	458	858	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		49 442	-	-	-	-	-	-	(19 812)	29 630	400	500
Total Capital Expenditure - Vote		58 442	-	-	-	-	-	-	(28 812)	29 630	20 973	16 502
Capital Expenditure - Standard												
Governance and administration		-	-	-	-	-	-	-	606	606	400	500
Executive and council		-	-	-	-	-	-	-	50	50	100	50
Budget and treasury office		-	-	-	-	-	-	-	528	528	300	450
Corporate services		-	-	-	-	-	-	-	29	29	-	-
Community and public safety		400	-	-	-	-	-	-	451	851	-	-
Community and social services		400	-	-	-	-	-	-	419	819	-	-
Sport and recreation		-	-	-	-	-	-	-	27	27	-	-
Public safety		-	-	-	-	-	-	-	5	5	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	190	190	6 000	3 500
Planning and development		-	-	-	-	-	-	-	145	145	-	-
Road transport		-	-	-	-	-	-	-	45	45	6 000	3 500
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		58 042	-	-	-	-	-	-	(30 059)	27 983	14 573	12 502
Electricity		700	-	-	-	-	-	-	126	826	-	-
Water		16 100	-	-	-	-	-	-	(9 428)	6 672	5 000	2 500
Waste water management		41 242	-	-	-	-	-	-	(20 764)	20 478	9 573	10 002
Waste management		-	-	-	-	-	-	-	7	7	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	58 442	-	-	-	-	-	-	(28 812)	29 630	20 973	16 502
Funded by:												
National Government		28 342	-	-	-	-	-	-	(100)	28 242	9 573	10 002
Provincial Government		9 000	-	-	-	-	-	-	(9 000)	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Total Capital transfers recognised	4	37 342	-	-	-	-	-	-	(9 100)	28 242	9 573	10 002
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		20 000	-	-	-	-	-	-	-	-	10 000	5 000
Internally generated funds		1 100	-	-	-	-	-	-	-	1 388	1 400	1 500
Total Capital Funding		58 442	-	-	-	-	-	-	(9 100)	29 630	20 973	16 502

The proposed adjustments to the capital expenditure is included in the executive summary, the details in respect of the funding sources are also included under section 3.4.1 to the report. Table B5 above indicates the revised capital expenditure and sources of funding by vote. It clearly reflects the decrease in capital spending as well as the sources of funding necessary to fund the capital requirements.

Table B6 Adjustments Budget Financial Position

WC034 Swellendam Municipality- TABLE B6-Adjusted Financial Position - 28 Februarie 2014

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
ASSETS												
Current assets												
Cash		–	–	–	–	–	–	–	6 093	6 093	2 404	
Call investment deposits	1	–	–	–	–	–	–	–	1 128	1 128	1 875	
Consumer debtors	1	12 333	–	–	–	–	–	–	(6 732)	5 601	5 682	5 285
Other debtors		3 610	–	–	–	–	–	–	(786)	2 824	3 000	2 800
Current portion of long-term receivables		45	–	–	–	–	–	–	16	61	80	105
Inventory									16 563	16 563	16 700	16 300
Total current assets		15 988	–	–	–	–	–	–	16 283	32 271	29 742	24 490
Non current assets												
Long-term receivables		413	–	–	–	–	–	–	(199)	214	123	98
Investments		–	–	–	–	–	–	–	–	–	–	–
Investment property		17 509	–	–	–	–	–	–	7 805	25 314	25 314	25 314
Investment in Associate		–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	1	279 312	–	–	–	–	–	–	(29 865)	249 447	264 119	274 004
Agricultural		–	–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–	–
Intangible		81	–	–	–	–	–	–	(26)	55	55	55
Other non-current assets		–	–	–	–	–	–	–	3 688	3 688	3 100	4 200
Total non current assets		297 316	–	–	–	–	–	–	(18 597)	278 719	292 711	303 671
TOTAL ASSETS		313 304	–	–	–	–	–	–	(2 314)	310 990	322 452	328 160
LIABILITIES												
Current liabilities												
Bank overdraft		3 727	–	–	–	–	–	–	(3 727)	–	–	1 994
Borrowing		1 995	–	–	–	–	–	–	47	2 042	2 151	2 194
Consumer deposits		1 184	–	–	–	–	–	–	28	1 212	1 272	1 305
Trade and other payables		20 543	–	–	–	–	–	–	5 012	25 555	30 355	32 355
Provisions		7 509	–	–	–	–	–	–	(3 282)	4 227	4 900	5 800
Total current liabilities		34 958	–	–	–	–	–	–	(1 922)	33 036	38 678	43 648
Non current liabilities												
Borrowing	1	52 917	–	–	–	–	–	–	(20 623)	32 294	40 144	42 950
Provisions	1	55 060	–	–	–	–	–	–	(21 731)	33 329	34 679	36 259
Total non current liabilities		107 977	–	–	–	–	–	–	(42 354)	65 623	74 823	79 209
TOTAL LIABILITIES		142 935	–	–	–	–	–	–	(44 276)	98 659	113 500	122 857
NET ASSETS	2	170 369	–	–	–	–	–	–	41 962	212 331	208 952	205 303
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		166 244	–	–	–	–	–	–	42 110	208 354	204 975	201 327
Reserves		4 125	–	–	–	–	–	–	(148)	3 977	3 977	3 977
TOTAL COMMUNITY WEALTH/EQUITY		170 369	–	–	–	–	–	–	41 962	212 331	208 951	205 304

Table B6 above provides a summary of the financial position of the municipality after consideration and inclusion of the proposed budget amendments. **It also reflects the latest financial position with inclusion of the audited Financial Statements of 2012/13 with the result that major changes were made to the financial position as reflected in the original budget.**

Table B7 Adjustments Budget Cash Flows

Description	Ref	Budget Year 2013/14									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other		115 908	–	–	–	–	–		8 716	124 623 974.30	126 958 364.30	133 834 122.56
Government - operating	1	52 908	–	–	–	–	–	–	3 665	56 573	29 201	30 692
Government - capital	1	38 442	–	–	–	–	–	–	(10 200)	28 242	9 604	10 060
Interest		1 935	–	–	–	–	–	–	(275)	1 660	1 743	1 830
Dividends		–	–	–	–	–	–	–	–			
Payments												
Suppliers and employees		(167 991)	–	–	–	–	–		(1 254)	-169 245 407.30	-149 005 863.99	-160 080 031.49
Finance charges		(7 386)	–	–	–	–	–	–	644	(6 742)	(7 079)	(7 433)
Transfers and Grants	1	(1 390)	–	–	–	–	–	–	(22)	(1 412)	(1 483)	(1 557)
NET CASH FROM/(USED) OPERATING ACTIVITIES		32 426	–	–	–	–	–	–	1 274	33 700	9 939	7 347
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	72	72	73	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–	–
Payments												
Capital assets		(58 442)	–	–	–	–	–	–	28 812	(29 630)	(20 973)	(16 502)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(58 442)	–	–	–	–	–	–	28 884	(29 558)	(20 901)	(16 502)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		20 000	–	–	–	–	–	–	(20 000)	–	10 000	5 000
Increase (decrease) in consumer deposits		83	–	–	–	–	–	–	(23)	60	60	33
Payments												
Repayment of borrowing		(1 995)	–	–	–	–	–	–	(5)	(2 000)	(2 042)	(2 151)
NET CASH FROM/(USED) FINANCING ACTIVITIES		18 088	–	–	–	–	–	–	(20 028)	(1 940)	8 018	2 882
NET INCREASE/ (DECREASE) IN CASH HELD												
Cash/cash equivalents at the year begin:	2	4 202	–	–	–	–	–	–	10 129	2 201	(2 943)	(6 272)
Cash/cash equivalents at the year end:	2	(3 726)	–	–	–	–	–	–	818	5 020	7 221	4 279
									10 947	7 221	4 279	(1 994)

The closing balance of the budgeted cash flow reflects an increase in cash as at 30 June 2013 after taking into consideration the proposed adjustments contained in the budget.

Tale B8 Cash Backed reserves / accumulated surplus reconciliation

WC034 Swellendam Municipality- TABLE B8-Adjusted Cashbacked reserves/accumulated surplus reconciliation - 28 Februarie 2014

WC034 Sellenham municipality - TABLE B6-Adjusted Cashbacked reserves/accumulated surplus reconciliation - 26 Februarie 2014												
Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Cash and investments available												
Cash/cash equivalents at the year end	1	(3 726)	–	–	–	–	–	–	10 947	7 221	4 279	(1 994)
Other current investments > 90 days		(1)	–	–	–	–	–	–	1	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		(3 727)	–	–	–	–	–	–	10 948	7 221	4 279	(1 994)
Applications of cash and investments												
Unspent conditional transfers			–	–	–	–	–	–	5 071	5 071	5 871	6 371
Unspent borrowing									–			
Statutory requirements									–			
Other working capital requirements	2	4 414	–						7 431	11 845	15 679	17 802
Other provisions												
Long term investments committed		–	–					–	–	–	–	–
Reserves to be backed by cash/investments		4 124	–						(147)	3 977	3 977	3 977
Total Application of cash and investments:		8 538	–	–	–	–	–	–	12 354	20 892	25 527	28 150
Surplus(shortfall)		(12 265)	–	–	–	–	–	–	(1 406)	(13 671)	(21 248)	(30 144)

From the above table it is evident that the municipality presently suffer with a net cash deficit of R12,87 million which will increase in the outer years. The cash deficit is currently financed by delayed payments to creditors and unspent grants. This unsatisfactory situation will gradually worsen if remedial actions are not taken and implemented with future budgets.

(This must not be confused with the present budget which is cash backed only in terms of the current figures, which only means that the accumulated cash deficit does not increase.)

This red flag is this municipality's immediate and biggest threat which will, if not addressed, result in a situation that creditors could not be paid and or salaries could not be paid.

To rectify the cash position, the following remedial steps to be applied with future budgets seems to be inevitable:

- **Free units of water and electricity to all is not financially sustainable and Council urgently need to reconsider this practice and only apply free units to the indigent**
- **Apply strict credit control to improve on the debt return ratio**
- **Embarked on a more aggressive and detailed revenue enhancement program**
- **Urgently reconsider functions in terms of sec 78 of the Municipal Systems Act (Act 32 of 2000).**

Table B9 Asset Management

WC034 Swellendam Municipality- TABLE B9-Adjusted Asset Management - 28 Februarie 2014

WC034 Swenendam Municipality- TABLE B9-Adjusted Asset management - 26 February 2014													
Description	Ref	Budget Year 2013/14										Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted	
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget	
R thousands													
CAPITAL EXPENDITURE													
<u>Total New Assets to be adjusted</u>	1	58 442	-	-	-	-	-	-	(28 812)	29 630	20 973	16 502	
Infrastructure - Road transport		-	-	-	-	-	-	-	2 734	2 734	5 000	2 500	
Infrastructure - Electricity		700	-	-	-	-	-	-	120	820	-	-	
Infrastructure - Water		18 500	-	-	-	-	-	-	(11 846)	6 654	5 000	2 500	
Infrastructure - Sanitation		26 742	-	-	-	-	-	-	(8 953)	17 789	9 573	10 002	
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		45 942	-	-	-	-	-	-	(17 945)	27 997	19 573	15 002	
Community		-	-	-	-	-	-	-	529	529	-	-	
Heritage assets		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Other assets	6	12 500	-	-	-	-	-	-	(11 396)	1 104	1 400	1 500	
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-	
Biological assets		-	-	-	-	-	-	-	-	-	-	-	
Intangibles		-	-	-	-	-	-	-	-	-	-	-	
<u>Total Renewal of Existing Assets to be adjusted</u>	2	-	-	-	-	-	-	-	-	-	-	-	
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Community		-	-	-	-	-	-	-	-	-	-	-	
Heritage assets		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Other assets	6	-	-	-	-	-	-	-	-	-	-	-	
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-	
Biological assets		-	-	-	-	-	-	-	-	-	-	-	
Intangibles		-	-	-	-	-	-	-	-	-	-	-	
<u>Total Capital Expenditure to be adjusted</u>	4	-	-	-	-	-	-	-	-	-	-	-	
Infrastructure - Road transport		-	-	-	-	-	-	-	2 734	2 734	5 000	2 500	
Infrastructure - Electricity		700	-	-	-	-	-	-	120	820	-	-	
Infrastructure - Water		18 500	-	-	-	-	-	-	(11 846)	6 654	5 000	2 500	
Infrastructure - Sanitation		26 742	-	-	-	-	-	-	(8 953)	17 789	9 573	10 002	
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		45 942	-	-	-	-	-	-	(17 945)	27 997	19 573	15 002	
Community		-	-	-	-	-	-	-	529	529	-	-	
Heritage assets		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Other assets	6	12 500	-	-	-	-	-	-	(11 396)	1 104	1 400	1 500	
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-	
Biological assets		-	-	-	-	-	-	-	-	-	-	-	
Intangibles		-	-	-	-	-	-	-	-	-	-	-	
<u>TOTAL CAPITAL EXPENDITURE to be adjusted</u>	2	58 442	-	-	-	-	-	-	(28 812)	29 630	20 973	16 502	
ASSET REGISTER SUMMARY - PPE (WDV)													
Infrastructure - Road transport	5	63 310	-	-	-	-	-	-	(2 639)	60 671	63 847	64 430	
Infrastructure - Electricity		27 581	-	-	-	-	-	-	146	27 727	26 459	25 127	
Infrastructure - Water		28 624	-	-	-	-	-	-	(7 587)	21 037	25 206	26 833	
Infrastructure - Sanitation		71 918	-	-	-	-	-	-	(10 072)	61 846	70 281	79 088	
Infrastructure - Other		13 680	-	-	-	-	-	-	(2 953)	10 727	10 548	10 361	
Infrastructure		205 113	-	-	-	-	-	-	(23 104)	182 009	196 341	205 839	
Community		9 414	-	-	-	-	-	-	5 445	14 859	14 787	14 710	
Heritage assets		-	-	-	-	-	-	-	3 453	3 453	3 453	3 453	
Investment properties		17 509	-	-	-	-	-	-	7 805	25 314	25 295	25 274	
Other assets		64 785	-	-	-	-	-	-	(15 660)	49 125	49 596	50 120	
Intangibles		81	-	-	-	-	-	-	(26)	55	16	(24)	
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-	
Biological assets		-	-	-	-	-	-	-	-	-	-	-	
<u>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</u>	5	296 902	-	-	-	-	-	-	(22 086)	274 816	289 488	299 373	
EXPENDITURE OTHER ITEMS													
<u>Depreciation & asset impairment</u>	3	6 002	-	-	-	-	-	-	-	6 002	6 302	6 617	
<u>Repairs and Maintenance by asset class</u>		12 486	-	-	-	-	-	-	(427)	12 059	12 662	13 295	
Infrastructure - Road transport		2 052	-	-	-	-	-	-	280	2 332	2 448	2 571	
Infrastructure - Electricity		1 435	-	-	-	-	-	-	(540)	895	940	987	
Infrastructure - Water		548	-	-	-	-	-	-	(41)	507	532	558	
Infrastructure - Sanitation		530	-	-	-	-	-	-	28	557	585	614	
Infrastructure - Other		58	-	-	-	-	-	-	350	408	428	450	
Infrastructure		4 621	-	-	-	-	-	-	77	4 698	4 933	5 180	
Community		1 455	-	-	-	-	-	-	949	2 404	2 524	2 651	
Heritage assets		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Other assets	6	6 410	-	-	-	-	-	-	(1 453)	4 956	5 204	5 465	
<u>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</u>		18 487	-	-	-	-	-	-	(427)	18 060	18 963	19 911	
<u>% of capital exp on renewal of assets</u>		0.0%	0.0%							0.0%	0.0%	0.0%	
<u>Renewal of existing assets as % of deprecn</u>		0.0%	0.0%							0.0%	0.0%	0.0%	
<u>R&M as a % of PPE</u>		4.2%	0.0%							4.4%	4.4%	4.4%	
<u>Renewal and R&M as a % of PPE</u>		4.2%	0.0%							4.4%	4.4%	4.4%	

Table B10 Basic Service Delivery Measurement

WC047 Bitou - Table B10 Basic service delivery measurement - 17 February 2014

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
Household service targets (000)	1											
Water:												
Piped water inside dwelling		10 873	10 873						-	10 873	11543	12243
Piped water inside yard (but not in dwelling)		6 782	6 782						-	6 782	7121	7477
Using public tap (at least min.service level)	2	398	398						-	398	448	518
Other water supply (at least min.service level)		1 281	1 281						-	1 281	1345	1412
Minimum Service Level and Above sub-total		19 334	19 334	-	-	-	-	-	-	19 334	20 457	21 650
Using public tap (< min.service level)	3	-	-						-	-	-	-
Other water supply (< min.service level)	3,4	192	192						-	192	202	212
No water supply		-	-						-	-	-	-
Below Minimum Service Level sub-total		192	192	-	-	-	-	-	-	192	202	212
Total number of households	5	19 526	19 526	-	-	-	-	-	-	19 526	20 659	21 862
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		17 449	17 449						-	17 449	17 799	18 099
Flush toilet (with septic tank)		-	-						-	-	-	-
Chemical toilet		-	-						-	-	-	-
Pit toilet (ventilated)		457	457						-	457	107	-
Other toilet provisions (> min.service level)		-	-						-	-	-	-
Minimum Service Level and Above sub-total		17 906	17 906	-	-	-	-	-	-	17 906	17 906	18 099
Bucket toilet		204	204						-	204	116	59
Other toilet provisions (< min.service level)		222	222						-	222	122	72
No toilet provisions		-	-						-	-	-	-
Below Minimum Service Level sub-total		427	427	-	-	-	-	-	-	427	239	132
Total number of households	5	18 333	18 333	-	-	-	-	-	-	18 333	18 145	18 231
Energy:												
Electricity (at least min. service level)		1 965	1 965						-	1 965	2 315	2 815
Electricity - prepaid (> min.service level)		13 275	13 275						-	13 275	14 025	14 875
Minimum Service Level and Above sub-total		15 240	15 240	-	-	-	-	-	-	15 240	16 340	17 690
Electricity (< min.service level)		-	-						-	-	-	-
Electricity - prepaid (< min. service level)		-	-						-	-	-	-
Other energy sources		4 245	4 245						-	4 245	4 457	4 680
Below Minimum Service Level sub-total		4 245	4 245	-	-	-	-	-	-	4 245	4 457	4 680
Total number of households	5	19 485	19 485	-	-	-	-	-	-	19 485	20 797	22 370
Refuse:												
Removed at least once a week (min.service)		18 827	18 827						-	18 827	19 707	20 707
Minimum Service Level and Above sub-total		18 827	18 827	-	-	-	-	-	-	18 827	19 707	20 707
Removed less frequently than once a week		210	210						-	210	265	353
Using communal refuse dump		0	0						-	0	0	1
Using own refuse dump		50	50						-	50	52	55
Other rubbish disposal		-	-						-	-	-	-
No rubbish disposal		6	6						-	6	6	7
Below Minimum Service Level sub-total		267	267	-	-	-	-	-	-	267	324	415
Total number of households	5	19 093	19 093	-	-	-	-	-	-	19 093	20 031	21 122
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		6 003	6 003						-	6 003	6 703	7 553
Sanitation (free minimum level service)		2 778	2 778						-	2 778	3 478	4 328
Electricity/other energy (50kwh per household per month)		6 370	6 370						-	6 370	6 570	6 870
Refuse (removed at least once a week)		2 728	2 728						-	2 728	3 078	3 538
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)		1 693	1 693						-	1 693	1 694	1 695
Sanitation (free sanitation service)		3 111	3 111						-	3 111	3 266	3 429
Electricity/other energy (50kwh per household per month)		2 126	2 126						-	2 126	2 232	2 344
Refuse (removed once a week)		4 170	4 170						-	4 170	4 378	4 597
Total cost of FBS provided (minimum social pack)		11 099	11 099	-	-	-	-	-	-	11 099	11 571	12 066
Highest level of free service provided												
Property rates (R'000 value threshold)		425 000	350 000						-	350 000	350 000	350 000
Water (kilolitres per household per month)		7	6						-	6	6	6
Sanitation (kilolitres per household per month)		-	-						-	-	-	-
Sanitation (Rand per household per month)		119	119						-	119	125	132
Electricity (kw per household per month)		53	50						-	50	50	50
Refuse (average litres per week)		-	-						-	-	-	-
Revenue cost of free services provided (R'000)	17											
Property rates (R15 000 threshold rebate)		109	109						-	109	205	270
Property rates (other exemptions, reductions and rebates)		1	1						-	1	1	1
Water		207	207						-	207	218	229
Sanitation		670	670						-	670	703	738
Electricity/other energy		2 087	2 087						-	2 087	2 192	2 301
Refuse		231	231						-	231	243	255
Municipal Housing - rental rebates		-	-						-	-	-	-
Housing - top structure subsidies	6	-	-						-	-	-	-
Other		-	-						-	-	-	-
Total revenue cost of free services provided (total s		3 306	3 306	-	-	-	-	-	-	3 306	3 562	3 794

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Adjustment to budget assumptions

5.1 Revenue

There is no significant adjustment to the budget assumptions. The main factors influencing the adjustments are more than anticipated revenue that was originally budgeted, specifically rates and services and traffic revenue. A conservative approach to revenue estimations has been maintained. More detail in this regard is explained in paragraph 3.4.2 above.

5.2 Expenditure

See more detail in paragraph 3.4.2 above.

Section 6 – Adjustment to budget funding

6.1 Summary of the impact of the adjustments budget

6.1.1 Funding of operating and capital expenditure

Apart from the downscaling in capital expenditure due to the change in the R9 million capital grant which has been directly paid to the service provider , and the non-raising of the external loan with the associated cancellation of projects to be financed with the envisage loan, no further changes are applicable regarding the financing of the adjustment budget.

6.1.2 Reserves

Apart from the Housing Reserve of R3.9 million, no other reserves exist. Although a contribution of R1.1 million is budgeted for as a contribution towards the Capital Replacement Reserve (CRR) , this reserve will be exhausted by the capital expenditure to be financed out of own funds. The CRR will be further funded at year end when a “below the line ” transfer from the accumulated operating surplus will be determined by the Municipal Manager in terms of Council’s Reserves Policy. It must be kept in mind that any Reserve that is instituted by Council, must be cash backed, and with the present cash deficit as explained, this has to be very carefully and skilfully managed with the compilation of future budgets.

6.1.3 Financial Sustainability

The principle of financial sustainability was constantly applied throughout the revision process, and although not enough, the proposed adjustments will add to the endeavours to ensure that a position of financial viability is attained. It is envisaged that a turn-around to this position may take up to 3 years to be achieved. However, again it must be reiterated, that financial sustainability is possible when the principles as set out under table B8 are adhere to which are as follows;

- **Free units of water and electricity to all is not financially sustainable and Council urgently need to reconsider this practice and only apply free units to the indigent**
- **Apply strict credit control to improve on the debt return ratio**
- **Embarked on a more aggressive and detailed revenue enhancement program**
- **Urgently reconsider functions in terms of sec 78 of the Municipal Systems Act (Act 32 of 2000).**

6.1.4 Adjustment relating to proposed new loans

The proposed loan as approved in the original 2013/2014 budget has not been raised due to the affordability factors as already mentioned above.

Section 7 – Adjustment to expenditure on allocations and grant programs

Disclosure of expenditure on allocations and grant programs is done by way of the following tables:

- Supporting table SB7
- Supporting table SB8

Section 8 – Adjustment to allocations or grants made by the municipality

Refer to supporting table SB 10

Section 9 – Adjustment to councillor allowances and employee benefits.

Refer to supporting table SB11 for further details. As stated in the narrative under the executive summary, provision is made for an increase in councillors' remuneration as gazetted.

Section 10 – Adjustment to capital expenditure.

The adjustment to capital expenditure is disclosed in detail under the executive summary in table SB19. The table indicates the adjustment from the originally approved budget to the adjustment budget as submitted.

Section 11 – Other supporting documents.

The following supporting documents are attached in support of the adjustment budget

Main Budget Tables and Supporting Budget Tables

SWELLENDAM MUNICIPALITY

Section 12 – Municipal Managers Quality Certification

I, **C.M. Africa**, the Municipal Manger of **Swellendam Municipality**, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality

Print Name: _____

Municipal Manager of Swellendam Municipality (WC034)

Signature: _____

Date: _____